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Security Council Committee established pursuant to resolution 1267 (1999)

Note verbale dated 17 April 2002 from the Permanent Mission of Paraguay to the United Nations addressed to the Chairman of the Committee

The Permanent Mission of Paraguay to the United Nations presents its compliments to the Chairman of the Security Council Committee established pursuant to resolution 1267 (1999) and has the honour to transmit to him herewith the report of the Government of Paraguay pursuant to paragraph 6 of Security Council resolution 1390 (2002) (see annex).

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Annex to the note verbale dated 17 April 2002 from the Permanent Mission of Paraguay to the United Nations addressed to the Chairman of the Committee

Report of the Republic of Paraguay pursuant to Security Council resolution 1390 (2002)

Paragraph 2

"*Decides* that all States shall take the following measures with respect to Usama bin Laden, members of the Al-Qaida organization and the Taliban and other individuals, groups, undertakings and entities associated with them, as referred to in the list created pursuant to resolutions 1267 (1999) and 1333 (2000) to be updated regularly by the Committee established pursuant to resolution 1267 (1999), hereinafter referred to as ' the Committee':

(a) Freeze without delay the funds and other financial assets or economic resources of these individuals, groups, undertakings and entities, including funds derived from property owned or controlled, directly or indirectly, by them or by persons acting on their behalf or at their direction, and ensure that neither these nor any other funds, financial assets or economic resources are made available, directly or indirectly, for such persons' benefit, by their nationals or by any persons within their territory".

The Superintendency of Banks of the Central Bank of Paraguay circulated the new lists prepared in conformity with resolutions 1267 (1999) and 1333 (2000) for the purpose of freezing funds and other assets and financial resources of the entities and individuals included on those lists.

Furthermore, the National Anti-Drug Secretariat (SENAD) has a Financial Crimes Investigation Unit which, within its sphere of competence if it detects the existence of financial assets or economic resources of individuals, groups, companies and entities included on the list mentioned in paragraph 2 of resolution 1390 (2002), shall proceed immediately through the appropriate channels to inform the responsible bodies so that they can freeze the funds and take other relevant measures.

The Secretariat for the Prevention of Money- or Asset-Laundering (SEPRELAD) has referred to the Public Prosecutor's Office all suspicious transactions reported by entities of the local financial system and involving mainly individuals or groups that could finance terrorist acts. It also monitors, investigates and follows up all suspicious accounts of individuals based mainly in Ciudad del Este and alleged links with Arab fundamentalist groups.

The Government of Paraguay, through the Public Prosecutor's Office and the judiciary, has undertaken the investigation of such issues as money-laundering (laundering of money derived from illegal activities), drug trafficking, piracy and terrorism. Investigations have centred mainly on the tri-border area between Argentina, Brazil and Paraguay and on the city of Encarnación. There are three cases in which Lebanese citizens are involved: "Sobhi Mahmoud Fayad for tax evasion and other offences", "Mazen Ali Saleh et al for criminal association and other offences" and "Mohammed Jassin et al. for production of counterfeit documents".

Ahmed Gami Sati and Omar Gami Sati, who were carrying irregular passports of Colombian origin, were also detained.

However, it should be noted that no evidence or data on the individuals and institutions included on the lists in Security Council resolutions 1267 (1999) and 1333 (2000) have been found in national territory.

"(b) Prevent the entry into or the transit through their territories of these individuals, provided that nothing in this paragraph shall oblige any State to deny entry into or require the departure from its territories of its own nationals and this paragraph shall not apply where entry or transit is necessary for the fulfilment of a judicial process or the Committee determines on a case by case basis only that entry or transit is justified".

SENAD has offices or regional branches in the country's border areas whose main function is to report to the relevant judicial authorities on the existence of or possible entry to or transit through Paraguay of individuals on the list or allegedly involved in the illicit traffic in narcotic drugs, dangerous drugs and related activities.

Likewise, the National Migration Office and the National Police have intensified their preventive monitoring of the migration of individuals in the areas considered critical and strategic, such as Ciudad del Este, Pedro Juan Caballero, Encarnación and the western region (the Paraguayan Chaco).

As for the individuals mentioned in Security Council resolutions 1267 (1999) and 1333 (2000), their entry to or exit from the national territory has not been reported.

"(c) Prevent the direct or indirect supply, sale and transfer, to these individuals, groups, undertakings and entities from their territories or by their nationals outside their territories, or using their flag vessels or aircraft, of arms and related materiel of all types, including weapons and ammunition, military vehicles and equipment, paramilitary equipment, and spare parts for the aforementioned, and technical advice, assistance or training related to military activities".

Although the Republic of Paraguay is not a manufacturer, producer or exporter of arms and related materiel of any type, including weapons and ammunition, military vehicles and equipment, paramilitary equipment, and spare parts for the aforementioned, the National Arms Registry of the Department of Military Supplies of the national armed forces has taken measures to prevent their direct or indirect supply, sale and transfer to those individuals, groups, undertakings and entities from its territory, in compliance with the resolution. To date, there is no evidence that the individuals and/or entities listed in resolutions 1267 (1999) and 1333 (2000) have been involved in the transfer, sale and supply of arms and military materiel of any type in the country.

Paragraph 8

"Urges all States to take immediate steps to enforce and strengthen through legislative enactments or administrative measures, where appropriate, the measures imposed under domestic laws or regulations against their nationals and other individuals or entities operating on their territory, to

prevent and punish violations of the measures referred to in paragraph 2 of this resolution, and to inform the Committee of the adoption of such measures, and invites States to report the results of all related investigations or enforcement actions to the Committee unless to do so would compromise the investigation or enforcement actions".

The Ministry of the Interior has continued its meetings within the Permanent Working Group (GPT) and the Specialized Working Group on Terrorism, within the framework of the Meeting of Ministers of the Interior of MERCOSUR, Bolivia and Chile. Important agreements have been reached on those occasions:

- Internal organizational rules of procedure for the Working Groups
- Study of the training project on terrorism
- Establishment of a cryptography information network among member countries of MERCOSUR, Bolivia and Chile
- Submission of the bimonthly report evaluating the terrorism situation, to be consolidated into a single regional report, under the coordination of the Presidency Pro Tempore of MERCOSUR
- Study of a draft agreement on chemical and biological terrorism, which covers chemicals subject to "Australia Group" export controls; toxic chemicals and precursors; a list of biological agents for export controls; genetically modified micro-organisms; an additional list of alerts; and a list of animal and plant pathogens for export controls
- Utilizing the new digital information system, a fluid exchange of information will take place in the near future on high-risk groups operating in the various countries, especially in the tri-border area between Argentina, Brazil and Paraguay
- The Secretariat for the Prevention and Investigation of Terrorism and the National Intelligence Service, which come under the authority of the National Police, conduct ongoing, sustained intelligence activities for the purpose of detecting any indications of terrorist activity.

The laws and regulations in force regarding the laundering of money and assets in the Republic of Paraguay are contained in Act No. 1015/96 on the Prevention and Suppression of Acts intended to Legitimize Money or Assets and its implementing regulations in Resolution No. 2, Act 84, of 2 March 1997. This resolution establishes the procedures for preventing the use of the financial system and other sectors of economic activity in the commission of acts intended to legitimize goods or assets derived from criminal activity. The Superintendency of Banks, through Resolution No. 248/97, has issued regulations establishing the mechanism to be used by entities in communicating with it. It provides for the compulsory use of a form designed for reporting transactions involving an amount greater than US$ 10,000 or its equivalent in national currency.

Lastly, the feasibility is being studied of technical cooperation by the Inter-American Development Bank with the Superintendency of Banks, using funding from the Multilateral Investment Fund (FOMIN), on a project to improve the transparency and integrity of the financial system.